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# Prices and Profits

An Essay in Interpretation

308

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Box 140

By

Isaac H. Lionberger



Written for

The American Credit-Indemnity Co.

St. Louis, Mo.

October, 1923

Copies to be had of the Company

# Prices and Profits

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## PREFACE

During the last ten years I have sought distraction from the anxieties of war and the commotions that followed, in writing of those things which forced me to forget the events of the day or helped me to interpret them. My first essay, upon the Meaning of Business, fell into the hands of one who assured me he had been helped by it, and so encouraged I was induced to write those that followed.

All of these essays were commonplace. I do not shrink from the confession, because I think principles verified by experience are more apt to be trustworthy than those suggested by ingenious speculation. I covered old ground, gleaned where I could the facts which helped me to understand the problems of the day, and tried to tell others what I had learned.

In the Meaning of Business I attempted to show why industry had become specialized and how, as the result of such specialization, we had become more and more dependent upon each other. I tried to dignify business by proving that its object was not to do harm but to do good, and with this purpose showed how money lent helped the borrower, and how traders helped both producers and consumers of goods. I gave a brief history of the panics and crises of the past, and tried to explain the derangements which tended to bring on these calamities at regular intervals. I wrote of credit and rates of interest, of the dangers of inflation, of the essential character and proper function of money, of the meaning of property and the harm done by protective laws.

In looking back, I discover that I have omitted to discuss many important questions, perhaps the most important of all; and to one of these I have devoted this essay.

I. H. L.

## PRICES AND PROFITS

### AN ESSAY IN INTERPRETATION

Among the phenomena of this post-bellum time none is more remarkable than the strange unrest of the peoples of the world. The hurricane has ceased, but the tumult continues. Every social tradition is challenged. The imprisoned aspirations and delusions of the past have been let loose. The air is surcharged with wild voices. The peace, serenity and security of former times has departed. Nations formerly united by a generous emulation are now suspicious aliens. The liberty which was once so dear seems now abhorrent. Men fear license more than tyranny, and dictators have assumed the prerogatives of kings in Russia, Italy, Spain, Bulgaria and Germany. In America secret societies of masked men openly defy the law and undertake the punishment of offenses which the law tolerates. Property is no longer inviolable. To possess it is to provoke the hatred of one's fellows. We tax property, its use, and the income derived from it. To take a glass of wine in one's own house with a friend is a crime. To refuse to obey the mandate of a union is to deserve death. Highway robbery has become a lucrative calling. A prize-fight inter-

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ests us more than a revolution. Society is dissipated, wildly extravagant and shockingly dull. Religious traditions have melted away. We prefer jazz discords to the harmonies of Beethoven. The newspapers, responsive to the call of the wild, feed us upon sensations. Blocs control legislative assemblies, and the whole art of government is to wring from the community an unrighteous enrichment. We put up tariffs to shut out cheap merchandise, and cut production in order that coal shall be dear. The farmer wishes dear corn. Wages have been advanced by conspiracies, and the bricklayer demands the salary of a bank president. Commissions, bureaux, political inspectors visit and vex us all they can.

If the reader resents the extravagance of this picture, let him reflect upon the lost serenity of 1913. I present it not to provoke alarm or resentment but to explain the phenomena of the time. Always after a great conflict similar commotions have occurred. England was very unhappy after the Napoleonic wars. The Reform Bill, free trade and an enlarged, more affluent and more generous way of living followed. After the Revolution France repudiated the liberty won by so much blood and restored its king, yet in time it became free again. We should not

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complain if after a more devastating war than either of these we also should have to endure the commotions which now afflict us.

Times of unrest are most fruitful. After the fermentation comes the still wine. Challenged by discontent, sound traditions will be revindicated and much that is foolish will pass away. Unhappy people will try to think a way out; those who are content make no progress.

My object in writing is to call attention to an unperceived evil which in my opinion is a constant cause of social discontent. While every other institution has had to endure the scrutiny of discontent, one remains untouched and undisturbed. We demand to know the meaning of every other grievance, but are indifferent to the one which hurts us most. We have learned how to produce goods, but we do not know how to distribute them. An ancient and evil tradition, handed down from generation to generation, still dominates and oppresses us. It is a wild, barbaric and false tradition. Nakedly stated, it involves the monstrous absurdity that the cooperative system under which we live is predatory; that what any gets, another loses; that wealth is the fruit of spoliation. Everywhere we observe an eager and alert selfishness

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which seeks whom it may devour. Privately kind, even generous, we have assumed that in business there is no room for sentiment. Every class confederates against every other: the union wrings all it can from the employer, and vice versa; every group of producers is enemy to all the rest; the community is the hunting ground for every interest; to somehow make it pay is the aspiration of every adventurer. Even the nations share in this frenzy. All wish to sell, none to buy. They talk of favorable and unfavorable balances of trade, and do all they can to exclude foreign goods. They hug money, an instrument, a tool of trade, as though it would feed them in time of famine, and deliberately erect barriers to keep it at home.

Let us try to understand why men are so unfriendly in trade. The explanation is I think historical. The barbaric independence of primitive man was lost as soon as groups, tribes, communities and states were formed for mutual protection. When barter ceased, trade assumed a new aspect. In barter, goods were exchanged for goods and each party was judge of the values involved. When barter, by reason of the extent to which specialization was carried, became too

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difficult, money and traders were introduced, and to these we owe the injurious notions I have undertaken to discuss.

Consider the business of the trader. He buys from the producer and sells to the consumer. His business is to know where to get goods and where to dispose of them. His motive is to make money by buying cheap and selling dear. His interest seems therefore opposed to that of both seller and buyer. If he can pay less and get more for goods than they are worth, he makes money; if he sells for little and buys for much, he loses. This is the philosophy of trade. It rests upon the assumption that what one makes another must lose.

That such a philosophy tends to unscrupulous dealing is evident. What the trader knows is known neither to seller nor to buyer. The trader is resorted to because the makers and users of goods are ignorant of the market. The temptations involved in such an opportunity are irresistible.

That traders are prone to yield to these temptations, we know from the literature of antiquity and all time, and from the constant prejudice of men since the beginning. Today the first



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effect of revolutionary license is the loot of traders' shops, and the statute books of all the nations are laden with restrictions designed to curb their rapacity. The profiteer still provokes resentment. Traders themselves frankly accept the character imputed to them and, content with the fruits of rapacity, are indifferent to censure.

I know that traders will resent this imputation, but how else can we account for the universal rejoicing which attends every advance in the price of goods? Do not traders wish to make the public pay all they can? Are they not dissatisfied, even alarmed, when the cost of living declines? Was not "Pass it on" a by-word among them when the burdens of war threatened their prosperity? Did they not make enormous profits during the crisis of the war and the period of distress which followed? Do not traders as a rule think their profits depend upon the prices they get for goods, and that profits are greatest when prices are highest?

The same folly is cherished by the various classes of the community. The farmer wishes a high price for wheat, the manufacturer for cloth, the miner for coal, the planter for cotton. Every class thinks its prosperity depends upon scarcity. Even the Department of Commerce

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ventures to advise that less wheat be raised. The first expedient of every maker of goods who is confronted by a fall in prices, is to restrict production. There are all sorts of understandings and gentlemen's agreements, and every one of them is intended to make the public pay as much as possible for goods.

In view of these facts, I do not hesitate to say that everybody who has anything to sell is firmly convinced that the profits of business do and must come out of the consumers of goods and that unless by some means the productive power of industry be curbed the business of the community will be overwhelmed by cheap goods. Therefore the farmer is tempted to burn part of an abundant crop, the coal miner to work four days a week in order that coal may not be too cheap, and the manufacturer to combine to exclude cheap sellers from domestic markets. Over-production is feared as a calamity, and the high cost of living is welcomed with enthusiasm by all who make or deal in the necessities of life.

If we attempt to discover the considerations which induce this universal rapacity and ask the farmer, he will answer, "I can get for a great crop but fifty cents a bushel, whereas for a small one I can get one dollar." To a like

question the miner will reply, "If I work six days a week my output will sell for \$5 a ton, but if I work only four days, coal will sell for \$10." The manufacturer will say, "My goods cost me so much; if I make too many I must sell for less." And so every productive group of the country will answer, each being firmly convinced that its own prosperity depends upon restricted production and high prices.

The consequences of such thinking are deplorable. Men are not only jealous and suspicious of each other, they lack that ease in living and that diffused affluence which are the objects of cooperative industry. We might live on good terms and be ever so prosperous, but we decline to allow others to share in our good fortune. Wages might be raised to \$50 or \$100 a day and every article of comfort or luxury be within the reach of the industrious; but we fear cheap goods. It is worth while to attempt to dispel this delusion, for in it may be found the origin of many evils which afflict us.

What then is the object of cooperative industry? Abundant goods of the sort we want, and a just distribution of them. We have solved the problem of production. We can produce even more goods than we need. But we do

not understand trade. We think it predatory, that what one gains the other loses, that to sell cheap spells disaster; and oppose with all our might the course of that normal, regular, spontaneous and just distribution which is requisite for our mutual welfare.

Trade ought to be the most useful thing in the world. By its means the vast quantities of goods cooperatively produced by specialized groups should be on the whole ratably and justly distributed. Guided by common sense, notwithstanding the prepossessions of tradition, traders are in fact the most beneficent members of the community. The profits they make are not wrung from their customers. Goods are worth so much here, and so much there, and he who helps the producer to get more and the consumer to pay less is benefactor to both. Those who succeed in trade must be close students of the wants of men and diligent seekers of those markets in which these wants may be most cheaply gratified. Their intelligence should be the compass by which the makers of various commodities are guided. They should tell these makers what the public needs and what they can pay, and so induce the manufacturer to make the right goods in the right quantities at the right cost. Without traders

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we should be reduced to the inconveniences and miseries of barter and sink again to the barbarism and poverty from which in the course of time we have emerged. How then can we explain the discrepancy between the actual usefulness of traders and their presumed rapacity?

The answer is distinct. However rapacious they may be, they are restrained by a law paramount which compels their obedience. There are always many traders, many buyers and many sellers, and where there are several he who offers most and sells for least is preferred. Competition is the life of trade in the sense that it compels fair trading. To offer less or ask more for goods than they are approximately worth, is to invite disaster. It pays to be honest. An honest trader thrives where a dishonest one is reduced to bankruptcy. Honesty is the best policy. The credit of an honest man is better, his goodwill more lucrative than another's rapacity; he sells more goods and buys on better terms; his profits are greater. Even though men fail to perceive these principles, the majority yield to them. Experience is a stern teacher. Men bow to it even when they do not understand its lesson. If occasionally traders resort to extortion, they are not always to be blamed. Sometimes extravagance runs wild and

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the best check upon such over-spending is high prices. Whether men mean to do good or not, they must in order to thrive.

There are of course foolish adventurers who may be properly called profiteers, but these are insignificant in comparison with the vast body of traders. To this minority we owe the crises and disasters which from time to time arrest prosperity and provoke discontent. They force up prices and the cost of living until the community revolts, and then comes the collapse.

While, therefore, I frankly admit the usefulness of traders, I think even the wisest and best of them labor under a fundamental delusion, and against this delusion: namely, that business is most prosperous on a rising price market, this essay is directed. I shall attempt to establish the principle that business should be more profitable when prices are falling than when they are rising; and as this anomaly seems on its face absurd, I beg a candid consideration of what follows.

In the first place, every man will admit that prosperity and adversity come to all classes of the community at the same time. Wages are highest when profits are greatest; when profits decline, wages fall. Where the farmer makes

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nothing out of his wheat, the manufacturer sells less cloth. We cannot reconcile these recurrent fluctuations with the notion that what one class makes the other loses, nor with the notion that advancing prices are helpful to all members of the community.

Rising prices of themselves mean either that men possess the means to gratify their wants and industry is busily and successfully engaged in producing needed goods, or that production is falling behind consumption. In the former case all prices advance equally and ratably and trade is easy because each gets for his own goods an equivalent in value; in the latter case, where the demand outruns the supply, prices advance either because manufacturers cannot keep up with the demand or because they are curtailing production to force up prices. However caused, the scarcity indicated by such a rise is an evil and not a good, for unless the growing disparity between the needs or wants of the community and the goods available for its satisfaction be overcome, trouble must follow.

A slowly rising or ratable advance in all prices is therefore usually an indication of health and prosperity, because it tends to stimulate and does in fact stimulate production. A rapid and

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constant advance in the price of special commodities on the other hand, is ominous when it indicates that industry cannot or will not keep up with the demand for such goods. In the former case, the prosperity of the trader is the result of abundance; in the latter, of scarcity. A constant, protracted advance resulting from declining production is good for nobody. Money is not goods. The farmer, the miner, the manufacturer may get more and more money for what he produces, but each must pay more for what he needs; **and there will be fewer goods to go round.**

To establish this principle, let me assume that a community needs 1000 bushels of corn, 1000 yards of cloth, 1000 tons of coal and 1000 of other articles. Let it also be assumed that with a view to keeping up or advancing the money prices of these various commodities, but 500 bushels of corn, 500 yards of cloth, 500 tons of coal and 500 other articles are produced: what must be the effect of such curtailed production upon the farmer, the manufacturer, the miner, etc.? Scarce goods may sell for much money, but much money must be paid for few goods and each must do with one half of what he needs.

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By way of emphasis, let me now assume another case, quite contrary. Say a community produces 500 bushels of corn, 500 yards of cloth, 500 tons of coal and 500 other articles, and with a view to lessening the money prices of such commodities, by more zealous labor produces 1000 bushels of corn, 1000 yards of cloth, 1000 tons of coal and 1000 of other articles, what effect will such increase in production have upon the welfare of the farmer, manufacturer and miner, etc.? Abundant goods will sell for less money, but less money will buy more goods, **and each will have twice as many as before.**

Men forget that every member of a community is at once a producer and a consumer, and that where scarcity results from restricted production, what each gains as seller he must lose as buyer; and on the other hand, that where abundance is the result of honest work, what each seems to lose as seller he gains as buyer.

The profits of business should always be measured in goods, never in money. The income of an employer or employee depends upon its purchasing power, not upon the money in which it is reckoned. The lure of high prices tempts many to ruin. Germany is not well off because

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a loaf of bread costs a million marks, nor were oxen cheap in Elizabeth's time when an ox might be had for 5 shillings. Wages reckoned at 500,000,000 marks a day are less than wages reckoned at 5, where the latter will buy more goods.

The profits of trade depend far less upon the price of goods than upon the quantities dealt in. Not only will the profits realized buy more where goods are abundant, but it is easier to sell cheap goods than dear goods, save on those rare occasions when extravagance rises to delirium and calamity is impending.

No class in the community can make money out of the rest for any considerable time. The conscious object of men engaged in business should be to help along. The bricklayer who scamps his job is no less an enemy to himself than the grocer who overcharges for sugar. Each is a parasite upon the other, and each invites and merits the chastisement which is sure to follow. Abundance, cheapness and easy living are better than scarcity, high prices and hard living—better for the employer and employee, the producer, consumer and trader; yet each of us resists with all his might the stress of this paramount law, and to such resistance

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are due the discontents and miseries of society. The moral law is not confined to our social and eternal relations; it operates upon and directs business as well, and when men disregard it they must suffer the consequences.

It is unnecessary to fortify what I have said by reciting the pertinent facts of history. We still remember that after the insolent boom of 1920 followed a period of unemployment and bankruptcy. Always such an effect has followed such a cause. Every panic or crisis of the past has been inaugurated by high prices. Whenever men attempt to live at each other's expense, earning less than they demand and get, the consequence is mutual spoliation, and the effect of such spoliation is always distress, soon or late. The prosperity of trade, as of all business, depends upon the exchange of goods and services for goods and services upon fair terms. Who demands much for little cannot win out, because the party with whom he deals cannot continue to get little for much. A trade which denies to exchange its mutual and reciprocal advantage must come to an end.

Fair trading is therefore in the long run more profitable than foul trading. We have solved the problem of production. We can produce all

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the goods we need. Where trade is fair, it is easy, production is stimulated and prices decline; for prices are but valuations measured in a standard of value, and as the amount of money is constant and the quantity of goods increases, more goods should be got for less money, that is, goods should become cheaper; and unless they do, the prosperity of the moment is fictitious.

I admit that the foregoing considerations do not answer the perplexities of the manufacturer in the case stated, who produces goods at a certain cost and cannot sell them for so much; yet in this case the fault lies not in the principle declared but in an existing situation. Whenever more goods of a certain sort are produced than the community will buy at the price demanded, an arrest in the production of such goods at such cost is unavoidable. To produce more stoves than there are houses, for example, is of course a folly which admits of no remedy. But where the price alone kills the market, the remedy is not to stop production but to make and sell for less. What men need they will buy, at a price. To cut cost is of course difficult, where employees are stubborn; but as they cannot earn anything if the establishment be shut down, in the end they must and do submit. Over-production as it is called is always followed by declining prices,

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arrested production and unemployment, and the longer the price is maintained the greater the loss not only in profits but in wages. The proper remedy in such a case is to make and sell cheaper; and however reluctant men may be to adopt such an expedient, there is always someone clever enough to solve the problem and usurp the trade.

Two instances have come within the observation of the writer which serve to illustrate the foregoing statement. In 1919-1920 prices were advancing by leaps and bounds. The employees were called together, the danger of the situation and its probable result were explained, and the workmen were persuaded to intensive production by a promise of participation in the profits of the moment. These profits were great. When the collapse occurred, the men were informed and induced to make the experiment of a great reduction in wages by the promise that if profits could be realized on the declining market they should have their share. The experiment was successful. Cost and prices were so greatly reduced that in both instances the manufacturer and the employer made more money on the decline than they had made during the boom. The experiment succeeded because others were stubborn, and their trade passed to their more

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intelligent rival and the small profits made on many sales by him were greater in the aggregate than ever before. It pays better to help the public in time of distress than in time of prosperity.

Permit me in conclusion to state a case. Assume that by a specialized industry and perfect machinery as many goods of all sorts can be produced as we need, and that as a result of zealous work such goods are produced; what harm can result to any group of producers? All goods will be cheap to be sure, but how can abundant cheap goods hurt anybody? Coal, food, clothing, homes, luxuries of all sorts will be within the reach of all, however low the price measured in money may be. We may sell many goods for little gold, but we will be able to buy many for little, and each will have in abundance all that he needs.

Prices bewilder us because we reckon profits in money. They should be reckoned in goods. If the farmer can get what goods he needs for his crops, the miner all the food and clothing for his coal, the manufacturer every gratification he craves with his goods, how can any be said to be engaged in an unprofitable business? The object of industry is not money but what money

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will buy; and this object can be achieved more readily and in greater quantity where prices are low than where they are high—measured in human effort.

But we cannot realize the blessings of cheapness unless the energies of mankind be emancipated from the restraints which now enfeeble them. Trade must be free, the maker of goods must abandon the unenlightened selfishness which now checks production and retards distribution. Our international jealousies must be quieted. We must encourage those who offer us cheap goods. We must consent to buy as well as to sell.

And now I am done. The discontents of the world are due to stupid selfishness. I have tried to reconcile traders to mutual service, and thereby help to allay the discontents of the time, venturing perhaps arrogantly, to usurp the office of the sophist who long ago attempted a like reconciliation.

In the sixth century before Christ (I quote substantially from Prof. Murray) the Greeks were very ignorant and very stupid and very selfish. Every village hated the next village, every community, firmly rooted in its own customs and its own superstitions, deemed every

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departure from its own way of life as pure wickedness or folly. There was a bitter conflict between them, and in the struggle always the stupid prevailed, because stupidity had a majority on its side and could not be reached by argument.

To this stupid people, so separated, the great national struggle of Greece against Persia first brought the idea that perhaps it was better to fight than to be slaves, and that one must fight not merely for his own home but actually—incredible as it seemed—for other people's homes, for the homes of those wretched people in the next village; and they did fight and victory was won, and after the victory they began to realize that there were greater and better things about them than they had dreamed of. This community, this man helped more than another, and their names were in everybody's mouth—Themistocles above all, who had defeated Persia and saved Greece, and crowds of others—warriors, statesmen, philosophers; and people began to inquire what made these men different from the rest. They were not bigger nor stronger. They were just wiser and better men. "What", they then began to inquire, "is this wisdom which made these men so great? Cannot we also be wise?"



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And there were among the Athenians at this time teachers who called themselves sophists, and professed to teach others to be wise; and many resorted to them. These sophists or professors of wisdom were not altogether wise, but some of them were wiser than their fellows, and these taught one great thing: the difference between custom or convention, and truth. They tried to set men free by teaching them to think. They put problems and discussed them, and set one convention against another to compare them and find out which seemed more reasonable, and now and then they struck out an idea, a great and beautiful idea which explained many things, and made this or that prejudice seem foolish; and those who listened began to make progress, as all thoughtful men must.

So the Greeks became reconciled to one another and built up a national and generous feeling, useful first to themselves and afterwards to the whole world. Greece became very great after Marathon and Salamis, and produced many more great men. Its civilization has vanished and its language is almost forgotten, but its literature survives to this day, and its great men, and these men seem as admirable to us as they did to their fellow citizens thousands of years ago.

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America needs great men, but it needs a revelation more. We need to understand the solidarity of the world, that nation is bound to nation, community to community, individual to individual by a common interest, and that the good of all, which is indispensable to the good of each, must be promoted by mutual service. Somehow we must be taught to look beyond ourselves and try to understand another's need and another's point of view. We cannot remain independent, as were our ancestors. We are no longer self-sufficient. The welfare of each is indissolubly involved in the prosperity of the others. What we make and do is for another's good, and what he makes and does is for ours.

We are attentive to the good we get and blind to the good we do. We must be made somehow to understand and to rejoice in the good we do and the good another does, and in the good we get and that another gets; and inspired by such an idea we cannot be content with the mean prejudices which now afflict us.

It is the idea with which Christ proposed to redeem the world. Love thy neighbor as thyself, rejoice in his prosperity, help him on, it is better for him and better for you. It is the idea of all the churches, preached from innumer-

able pulpits these many hundreds of years. It is the idea which induced us to go to the rescue of France and gladly dedicate our sons to the service of humanity. It is a social idea and from it we derive the amenities and charms which make life agreeable. Men are fellow-men. It is as fit for business as for politics, religion and society. We act upon it, even when we deny it. None makes goods for his own use. We serve each other whether we mean to or not, and by an instinctive cooperation have won to an affluence greater than was ever before achieved, however blind we may be to the beneficence of our enterprise.

The idea pervades all the principles of that economic science which we affect to despise. Political economy does not teach selfishness, it explains it. It tells us how we thrive by serving each other, but its emphasis is on the good we do and not on the good we get. What science is more noble than that which proves to us that we thrive by mutual help? Does it wrong me to inform me that I am kinder, more generous, more helpful than I intend? Can it lessen my happiness to realize that I did more than I meant, that my neighbor is a better fellow than I thought, and that the constant wanting

which engages my faculties is in reality a propensity which may be viewed without contempt and indulged in without degradation? Christ commended the good citizen who increased the silver pieces confided to him, on the just ground that he was helping his fellows. The parable is addressed to us and I cannot think it is beyond our comprehension. He praised the man who made money. What did he mean? If I, having ten pieces of silver, use them or lend them for the construction of a plow which will do in a day as much as can be done with a hoe in a week, cannot he who borrows it pay me the wages of one day to save the wages of six? Do I not by such use of my silver pieces help another more than myself? All trade must be conducted on this principle. Who makes for \$5 an article which he sells for \$10, should add \$5 to its value, and where that added \$5 passes with the sale to the buyer he loses nothing. The trader who buys in the cheap market and sells in a dear, confers a like benefit on both the purchaser and the consumer. Predatory trade demands a greater value than it confers, and from the propensity to carry on such trade proceed all the mischiefs of which we complain.

Advancing prices are not necessarily indications of prosperity. Great profits are often but

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precursors of disaster. Abundant cheap goods are not less requisite for the community than for the dealer. Those who frankly and zealously embrace this doctrine get rich where their rivals languish. We have many instances. This automobile manufacturer, this soap or shoe maker is most prosperous; and if we inquire why, we shall discover that each of them makes and sells as cheaply as possible and in so doing not only thrives himself but that his employees get higher wages; and in each case the reason is that they best serve the public.

If to my reader these considerations seem commonplace, I say to him frankly, they are; nevertheless few accept them. A vast majority firmly believe that if any thrive they have somehow wronged all the rest. So only can we explain the hates and dissensions of society. We will rather forsake our own welfare than suffer another's prosperity. Standing like the dog on the bridge, we abandon the good we have, to deprive another. The laborer by strikes and violence cripples the enterprise which affords him employment; the employer, reluctant to let his helper share in his prosperity, invites disaster. The majority, disliking the rich, taxes to destroy, and thereby not only depletes the general stock

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of goods upon which its welfare depends, but prevents the accumulation of the capital requisite for its use. We will not let the railroads prosper, and delight to starve the horse we mean to ride. Fearing the paupers of Europe, we will not let them sell to us cheap goods. New England "protects" its industries in order that it may overcharge us, yet loudly complains of the miner who asks more for coal than it is worth. The farmer detests the profiteers, yet begs Congress to establish a minimum price for grain. We wish to enlarge our markets for goods, yet will not suffer them to be exchanged on terms advantageous to another. All the nations stand in hostile array because each is jealous of and fears the prosperity of its neighbor. The first expedient of a newly created sovereignty is to erect barriers to another's welfare.

These are the obsessions which I have endeavored to overturn, and if in the attempt to overthrow them I have used trite and obvious considerations, yet I say men ignore them; and this is my apology for reiterations which otherwise would be unpardonable.

I. H. LIONBERGER.

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